

Message Text

CONFIDENTIAL

PAGE 01 STATE 067180
ORIGIN EUR-12

INFO OCT-01 ISO-00 NSC-05 NEA-10 AF-08 IO-13 NSCE-00
SSO-00 INRE-00 USIE-00 CIAE-00 PM-04 INR-07 L-03
ACDA-07 NSAE-00 PA-01 SS-15 PRS-01 SP-02 TRSE-00
/089 R

DRAFTED BY EUR/RPM:TMSAVAGE
APPROVED BY EUR/RPM:HAHOLMES
EUR/RPM:JHMADDEN
EUR/WE:JSMITH
EUR/RPM:PCOLLINS
NEA/RA:JMONTVILLE
INR/RNA:DNEWTON
INR/REC:CMONROE
INR/PMT:NSMITH -OASD/ISA:JTYLER
INR/RSE/SOV:JCOLLINS
-----260123Z 117039 /14
O 260026Z MAR 77
FM SECSTATE WASHDC
TO USMISSION NATO IMMEDIATE

C O N F I D E N T I A L STATE 067180

HOLD FOR OPENING OF BUSINESS

E.O. 11652: GDS

TAGS: NATO, PFOR, MILI, UR, XF, XG, XI

SUBJECT: DRAFT REPORT TO THE NATO MINISTERS ON
MEDITERRANEAN SITUATION (MED REPORT), NOVEMBER 1976 -
MARCH 1977

REFS: A) DPA(77)89, DTG MARCH 7, 1977
-- B) USNATO 1411, DTG 121525Z MAR 77

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 067180

FOLLOWING IS REQUESTED GUIDANCE FOR AD HOC GROUP REVIEW
OF DRAFT MED REPORT. PROPOSED ADDITIONS, DELETIONS AND
MODIFICATIONS WITH SUPPORTING INFORMATION ARE KEYED TO
REF A. SPECIFIC GUIDANCE REQUESTED WITH REGARD TO DRAFT
REPORTS' TREATMENT OF MALTA, EGYPTIAN ECONOMIC SITUATION,
AND SOVIET MILITARY PRESENCE IN LIBYA CONTAINED IN PARA K;
PARAS N, O, AND P; AND PARA S, RESPECTIVELY.

A) PARA 3, LINES 4-5: DELETE PHRASE "WHICH HAD REMAINED LOYAL TO THE PRESIDENT."

-- THE PHRASE IS REDUNDANT AND THE LOYALTY WAS TO THE REGIME IN THE BROADER SENSE.

B) PARA 3, LINES 6-7: SUBSTITUTE "TIGHTER SECURITY" FOR "FIERCELY REPRESSIVE."

-- "FIERCELY REPRESSIVE MEASURES" SUGGESTS THE USE OF GOVERNMENT COUNTER-VIOLENCE, WHICH DID NOT OCCUR. THE WORDS ARE IN ANY CASE HIGHLY SUBJECTIVE.

C) PARA 3, LINES 9-10: ADD "DEBT" BEFORE THE WORD "MORATORIUM." -

-- THE ADDITION IS NEEDED FOR CLARITY.

D) PARA 3, LINES 10-11: END LAST SENTENCE OF PARAGRAPH WITH THE WORD "MORATORIUM" AND DELETE REMAINDER OF ORIGINAL SENTENCE. -

-- WE HAVE NO EVIDENCE THAT THE SOVIETS HAD ENCOURAGED THE RIOTS, ALTHOUGH THEY WERE CERTAINLY NOT UNHAPPY THAT THEY OCCURRED.

E) PARA 5, LINES 1-3: SUBSTITUTE THE FOLLOWING:
"AT THE END OF LAST YEAR, SADAT SEEMED INTERESTED IN
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 067180

AN IMPROVEMENT OF RELATIONS WITH MOSCOW IF THE SOVIETS WOULD EASE THEIR OPPOSITION TO MILITARY RESUPPLY AND DEBT RESCHEDULING, AND ON CONDITION, AS HE HAD OFTEN STRESSED IN PUBLIC THAT . . ."

-- WE BELIEVE THIS MORE FULLY DESCRIBES FACTORS/ CONDITIONS INVOLVED.

F) PARA 6, LINE 5: CHANGE "SLANGING" TO "MUD SLINGING."

G) PARA 6, LINE 6: ADD AS NEW SENTENCE TO END OF PARAGRAPH: "NEVERTHELESS, MOSCOW SENT ITS OFT-DELAYED ECONOMIC DELEGATION TO CAIRO IN MARCH, SUGGESTING THE KREMLIN'S CONTINUED DESIRE TO PROTECT ITS REMAINING ECONOMIC TIES WITH EGYPT."

-- UPDATING INFORMATION. ALSO SEE PARA P BELOW.

H) PARA 8, LINE 2: SUBSTITUTE THE WORDS "MORE
CONFIDENTLY" FOR THE WORD "FULLY."

-- SAUDI SUPPORT OF SYRIA IS NOT TOTALLY OPEN-
ENDED, ESPECIALLY IN LEBANON, AS THE REPORT NOTES IN
PARAGRAPH 14.

I) PARA 9, LINE 4: ADD AS SECOND SENTENCE: "AND
THERE WERE REPORTS THAT A SYRIAN-SOVIET SUMMIT MEETING
WOULD TAKE PLACE IN APRIL."

-- UPDATING INFORMATION.

J) PARA 11, LINES 8-9: SUBSTITUTE "PERSISTED,
PARTICULARLY REGARDING THE ARAB-ISRAELI DISPUTE" FOR THE
WORDS "CAME TO LIGHT."

-- THE DIFFERENCES BETWEEN MOSCOW AND LIBYA AND MOSCOW
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 067180

AND IRAQ HAVE BEEN EXPRESSED REPEATEDLY ON EARLIER
OCCASIONS. DURING THE VISITS REFERRED TO IN THIS PARA-
GRAPH AND IN PARAGRAPH 13 THESE DIFFERENCES WERE ONLY
REAFFIRMED.

K) PARA 15: MISSION SHOULD ATTEMPT TO KEEP
DISCUSSION OF MALTA TO A MINIMUM ALTHOUGH WE REALIZE
THIS WILL BE DIFFICULT. ITALIANS, AS REFTEL POINTS OUT,
WILL ALMOST CERTAINLY PUSH MALTESE CAUSE IN THIS FORUM.
WHILE WE HAVE NO SPECIFIC LANGUAGE TO OFFER TO COUNTER
THEIR EFFORTS, GENERAL THRUST OF APPROACH SHOULD BE AS
STATED IN 76 STATE 301003, DTG 102142Z DEC 76, I.E.,
THAT (A) ANY NATO CONSIDERATION OF MALTA SHOULD BE
CONFINED TO ITS MILITARY IMPLICATIONS AND (B) MALTA'S
SOCIO-ECONOMIC PROBLEMS ARE NOT AND SHOULD NOT BECOME
A NATO CONCERN.

L) PARA 21(I), LINES 1-3: CHANGE FIRST SENTENCE
TO READ: "THE DURATION OF THE OPERATIONS ON THE KIEV
WITH THE NORTHERN FLEET SUGGEST THAT THIS IS A PERMANENT
ASSIGNMENT."

-- SELF-EXPLANATORY.

M) PARA 24 (II), LINES 5-7: CHANGE TO READ:
"THE EGYPTIANS TO TRY AND HAVE MIG-21 ENGINES OVER-
HAULED..." UNLESS OTHER REPS AT MEETING HAVE INFORMATION
TO SUPPORT FIGURE CITED IN LAST SENTENCE, WE SUGGEST
SENTENCE BE CHANGED TO READ: "BY THE END OF LAST YEAR
50 OF THESE ENGINES WERE DELIVERED BY CHINA."

-- SELF-EXPLANATORY.

N) PARA 26: IN LIEU OF LAST SENTENCE AND AS MORE
COMPLETE DESCRIPTION OF FACTORS INVOLVED, WE SUGGEST
THAT THE FOLLOWING BE INCORPORATED, AS APPROPRIATE, AS
CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 067180

ADDITION TO PARAGRAPH 26:

-- DESPITE THE IMF'S ACCEPTANCE OF THE EGYPTIAN
POSITION ON SUBSIDIES, THE IMF CONTINUED TO PRESS
EGYPTIAN ECONOMIC PLANNERS TO MAKE ADDITIONAL CUTS IN THE
1977 BUDGET. IMF OFFICIALS WARNED THE EGYPTIAN GOVERN-
MENT THAT FAILURE TO ADOPT AN AUSTERE BUDGET WOULD CLOSE
THE DOOR TO IMF STANDBY FUNDING AND PREVENT EGYPT FROM

RECEIVING BADLY NEEDED COMMITMENTS FOR ECONOMIC ASSISTANCE
FROM ARAB AND WESTERN DONORS.

-- SINCE FURTHER CUTS IN MILITARY EXPENDITURES HAD
ALREADY BEEN RULED-OUT, EGYPT'S ECONOMIC PLANNERS FELT
THEY HAD NO ALTERNATIVE BUT TO CUT SUBSIDIES SHARPLY.
THE EGYPTIAN GOVERNMENT WAS PROBABLY NOT UNAWARE OF THE
POTENTIAL ADVERSE IMPACT THAT SUCH AN ANNOUNCEMENT WOULD
HAVE. SOME EGYPTIAN OFFICIALS PROBABLY EVEN BELIEVED
THAT THE UNREST WHICH FOLLOWED COULD BE EXPLOITED TO
EGYPT'S BENEFIT, BY GETTING THE IMF TO SOFTEN SOME OF ITS
INSISTENCE ON IMMEDIATE REFORMS AND SIMULTANEOUSLY SCARE
EGYPT'S OIL-RICH FRIENDS INTO OFFERING INCREASED
AMOUNTS OF ECONOMIC ASSISTANCE.

-- IT IS LIKELY, HOWEVER, THAT THERE WAS SOME
MISCALCULATION AS TO THE DEGREE OF DISCONTENT THAT WOULD
RESULT FROM AN ANNOUNCED DECISION TO CUT SUBSIDIES,
AND THAT THE RESULTING DEATHS OF OVER 80 EGYPTIANS DURING
THE RIOTS CAME AS QUITE A SHOCK TO THE EGYPTIAN GOVERNMENT.

O) PARA 27, FOOTNOTE 13 (ANNEX, PAGE 4): IN LIEU OF
LAST SENTENCE SUBSTITUTE THE FOLLOWING: "FOLLOWING THE
JANUARY 18-19 DISTURBANCES IN CAIRO, EGYPT'S ARAB
BENEFACTORS DECIDED TO GIVE EGYPT AN ADDITIONAL 1.5
BILLION DOLLARS IN ASSISTANCE IN 1977 TOWARD REDUCING
ITS BALANCE OF PAYMENTS DEFICIT. ARAB STATES HAD
CONFIDENTIAL

CONFIDENTIAL

PAGE 06 STATE 067180

ALREADY PROMISED EGYPT 1.2 BILLION DOLLARS FOR THIS

YEAR THROUGH PAYMENTS ASSOCIATED WITH THE KHARTOUM AND RABAT AGREEMENTS AND THROUGH THE GULF ORGANIZATION FOR DEVELOPMENT IN EGYPT (GODE)."

-- UPDATING INFORMATION.

P) PARA 28, LINE 8: ADD AS NEW SENTENCE TO END OF PARAGRAPH: "A SOVIET TRADE DELEGATION FINALLY ARRIVED IN CAIRO ON MARCH 14 TO COMPLETE NEGOTIATIONS FOR THE 1977 PROTOCOL. EGYPTIAN OFFICIALS WERE REPORTEDLY IN FAVOR OF INCREASING THE VALUE OF THE 1977 PROTOCOL, TO 400 MILLION POUND STERLING, REPRESENTING ABOUT A 20 PERCENT INCREASE OVER THE VOLUME SPECIFIED IN THE 1976 AGREEMENT."

-- UPDATING INFORMATION.

Q) PARA 29, LINE 2: ADD "PARTIALLY" BEFORE WORD "OVERCOME."

-- SYRIAN EXPENSES IN MAINTAINING ITS FORCES IN

LEBANON ARE STILL HEAVY AND OFFSETTING PAYMENTS BY SAUDI ARABIA AND KUWAIT HAVE NOT COVERED ALL EXPENSES.

R) PARA 33, LINES 9-12: CHANGE LAST SENTENCE IN PARAGRAPH TO READ: "IT IS THE SAUDI LEADERS, WITH THEIR COUNTRY'S ENORMOUS FINANCIAL RESOURCES, AND PRESIDENT ASAD, BASKING IN THE SUCCESS OF HIS LEBANESE VENTURE, WHO NOW SEEMS TO BE THE FOCAL POINTS FOR INTER-ARAB CONTACTS."

-- THE SAUDI ROLE IS CENTRAL TO THE PRESENT CLOSE COORDINATION OF THE MODERATE ARAB STATES.

CONFIDENTIAL

CONFIDENTIAL

PAGE 07 STATE 067180

S) PARA 37: WE SUGGEST THAT PARAGRAPH BE DELETED SINCE, AS REFTEL POINTS OUT, IT CONTRADICTS PARA 22(II). WE BELIEVE LATTER PARAGRAPH IS MORE ACCURATE DESCRIPTION OF SITUATION.

T) PARA 40, LINE 7: SUBSTITUTE "ALERT" FOR WORD "ALIVE."

VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: REPORTS, MINISTERIAL MEETINGS, POLITICAL SITUATION
Control Number: n/a
Copy: SINGLE
Sent Date: 26-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977STATE067180
Document Source: CORE
Document Unique ID: 00
Drafter: TMSAVAGE
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770103-0837
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770319/aaaaapyj.tel
Line Count: 275
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 7a003ab1-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 6
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 01-Oct-2004 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2986360
Secure: OPEN
Status: NATIVE
Subject: DRAFT REPORT TO THE NATO MINISTERS ON MEDITERRANEAN SITUATION (MED REPORT), NOVEMBER 1976 - MARCH 1977
TAGS: PFOR, MILI, UR, XF, XG, XI, NATO
To: NATO BRUSSELS
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/7a003ab1-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009